

XX.

LIABILITY INSURANCE

The Board of Directors of the Association shall obtain liability insurance in such amounts as the Board of Directors may determine from time to time for the purpose of providing liability insurance coverage for the common elements and limited common elements of this Condominium. The Board of Directors shall collect and enforce payment of a share of the premium for such insurance from each apartment owner as an assessment in accordance with the percentages set forth in Exhibit No. 2 to this Declaration. Each individual apartment owner shall be responsible for the purchasing of liability insurance for accidents occurring in his own apartment. In accordance with the provisions of The Condominium Act, the liability of an apartment owner for common expenses shall be limited to amounts for which he is assessed from time to time in accordance with The Condominium Act, this Declaration and the By-Laws. The owner of an apartment shall have no personal liability for any damages caused by the Association on or in connection with the use of the common elements except to the extent that and only if the law mandates such personal liability.

An apartment owner shall be liable for injuries or damages resulting from an accident in his own apartment to the same extent and degree that the owner of a house would be liable for an accident occurring within the house. If there shall become available to Condominium Associations a program of insurance which will not only insure the Association's liability and the liability of apartment owners with respect to the common elements and limited common elements, but also the liability of individual apartment owners with respect to the interior of their apartment, then the Association may obtain such liability insurance coverage protecting both the Condominium Association and the apartment owner against all liabilities for damage to persons and property whether occurring within or without an apartment, and the premium therefor shall be a common expense. If it shall appear that condominium apartment owners in such a program of insurance are entitled to elect additional coverages or excess coverages above those coverages elected by the Association for all apartment owners, then the Association may require the individual apartment owners selecting the excess coverage to pay the reasonable premium for such additional or excess coverage.

XXI.

PROVISIONS FOR CASUALTY INSURANCE, PAYMENT OF PROCEEDS, RECONSTRUCTION, INSURANCE TRUSTEE.

A. PURCHASE OF INSURANCE. The Board of Directors of the Association shall keep the Condominium Property insured. The Condominium Property shall include all the buildings erected upon the land, all fixtures and personal property appurtenant thereto owned or used by the Association or constituting part of the common elements or limited common elements and all apartments contained therein. The insurance shall insure the interest of the Association and all apartment owners and their mortgagees as their interests may appear against loss or damage by fire and hazards covered by standard coverage endorsement and such other risks of a similar or dissimilar nature as are customarily covered with respect to buildings similar in construction, location and use to the buildings erected upon the Condominium Property, in an amount which shall be equal to the maximum insurable replacement value as determined no less than every four (4) years by the insurance carrier if such insurance is reasonably available. Because of the location of the Condominium Property, the Association is authorized to obtain and accept a policy with a deductible clause if the Association cannot reasonably obtain coverage without such a clause. The Directors shall have no liability to the Association is authorized to obtain insurance without a deductible clause and/or for the failure to obtain insurance in the full amount of the coverage required hereunder if, in good faith, a majority of their whole number shall have determined that such insurance is not reasonably available. The foregoing provisions of this Paragraph A notwithstanding, the amount of coverages shall not be less than, nor the amount of deductibles more than, the amounts established therefore by the single owner and holder of the largest number of institutional first mortgages encumbering apartments in this Condominium. All insurance required under this Paragraph A shall be written on carriers acceptable to the single owner and holder of the largest number of institutional first mortgages encumbering apartments in this Condominium.

B. ASSURED AND LOSS PAYABLE. All casualty insurance policies purchased by the Association hereunder shall be for the benefit of the Association and all apartment owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses of \$10,000.00 or less shall be paid to the Association. Any sum in excess of \$10,000.00 shall be paid to an insurance trustee. An insurance trustee shall be any bank or trust company or other corporate trustee granted trust powers under the laws of the State of Florida authorized to and doing business in The State of Florida designated by the Board of Directors of the Association and approved by a majority of the mortgagees of the apartments in the Condominium (the term "majority" meaning the owners and

holders of a majority in number of first mortgages encumbering apartments in this Condominium). Said trustee is herein referred to as the "Insurance Trustee". The Insurance Trustee shall not be liable for the payment of premiums or the sufficiency of premiums nor for the failure to collect any insurance proceeds. The Insurance Trustee shall be responsible only for monies which come into its possession and only for its willful misconduct, bad faith or gross negligence. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust pursuant to the terms of the Insurance Trust Agreement between the Association and the Insurance Trustee, which shall not be inconsistent with any of the provisions herein set forth.

C. PAYMENT OF PREMIUMS, TRUSTEE'S EXPENSES AND COLLECTION. The Board of Directors shall collect and pay the premiums for casualty insurance and all fees and expenses of the Insurance Trustee as a part of the common expenses for which assessments are levied. Each apartment owner shall pay and be responsible for casualty insurance premiums and all fees and expenses of the Insurance Trustee in the same manner as all other assessments.

D. MANDATORY REPAIR. Unless there occurs substantial damage or destruction to all or a substantial part of the Condominium Property as hereinafter defined, the Association and the apartment owners shall repair, replace and rebuild the damage caused by casualty loss, the cost of which shall be borne by the apartment owners in proportion to the shares of the common expenses as set forth in Exhibit #2 to this Declaration.

E. DETERMINATION OF DAMAGE AND USE OF PROCEEDS. Immediately after a casualty damage to any part of the Condominium Property, the Board of Directors shall obtain reliable and detailed estimates of the cost necessary to repair and replace the damaged property to a condition as good as the condition that existed prior to the casualty loss, provided that if a casualty causing damage is limited to a single apartment, then it shall be the responsibility of that apartment owner to obtain estimates of the cost of replacement as aforesaid. If the net proceeds of insurance are insufficient to pay the estimated cost of reconstruction and repair, the Board of Directors shall promptly, upon determination of deficiency, levy a special assessment against all apartment owners for that portion of the deficiency related to common elements and limited common elements in accordance with the percentages set forth in Exhibit #2 to this Declaration and against the individual apartment owners for that portion of the deficiency related to individual damaged apartment; provided, however, that if in the opinion of the Board of Directors it is impossible to accurately and adequately determine the portion of the deficiency relating to individual damaged apartments, the Board of Directors shall levy the special assessment for the total deficiency against each of the apartment owners according to the percentages of common elements set forth in Exhibit #2.

If there occurs substantial damage to or destruction of all or a substantial portion of the Condominium Property and the unit owners elect to rebuild and repair as provided in Paragraph F below, the Insurance Trustee shall disburse the net proceeds and the funds collected by the Board of Directors from the assessment hereinabove set forth to repair and replace any damage or destruction of property, and shall pay any balance remaining to the unit owners and their mortgagees as their interests may appear. The proceeds of insurance and the funds collected by the Board of Directors from the assessments as hereinabove provided shall be held by the Insurance Trustee in trust for the uses and purposes herein provided. The Insurance Trustee shall have no obligation or duty to see that the repairs, reconstruction or replacements required hereunder are performed or accomplished, but such duty shall be the Association's.

F. TOTAL DESTRUCTION. As used in this Declaration and in any other connection or context dealing with this Condominium, the term "substantial damage to or destruction of all or a substantial portion of the Condominium Property" shall mean that two-thirds (2/3) or more of the apartment units are rendered untenable by casualty loss or damage. Should there occur substantial damage to or destruction of all or a substantial part of the Condominium Property, the Condominium shall be reconstructed unless two-thirds (2/3) of the unit owners shall agree not to reconstruct, in writing, within ninety (90) days after the damage or casualty loss. In the event that the Condominium Association elects not to reconstruct as aforesaid, the Insurance Trustee is authorized to pay proceeds of the insurance to the unit owners and their mortgagees as their interests may appear, and the Condominium Property shall be removed from the provisions of The Condominium Act with the results provided for by The Condominium Act as amended dealing with termination. The election of the Condominium Association not to reconstruct after casualty shall be evidenced by a Certificate signed by two (2) officers of the Association, stating that the Association had received the necessary writings of two-thirds (2/3) of the unit owners (members) within the ninety (90) day period mentioned above.

G. RIGHTS OF MORTGAGEES. If any first mortgagee of any condominium apartment shall require it, the Association shall from time to time deposit in a savings account established for the purpose, or with the Insurance Trustee, sufficient monies in escrow to insure the payment of the

casualty insurance premiums insuring the Condominium Property. A majority of such mortgagees (as hereinabove defined in Paragraph B) may designate the bank, savings and loan association or Insurance Trustee as the depository of these funds and may determine the provisions of the escrow, but only one such escrow account shall be required. However, the Association shall not be required to fund this escrow more frequently than once a month nor deposit therein from month-to-month an amount greater than one-twelfth (1/12) of the reasonably estimated casualty insurance premium next due. Any mortgagee in any mortgage which in accordance with the provisions of the mortgage shall have the right to demand insurance proceeds in the event of a casualty loss to the property secured by said mortgage waives the right to such proceeds if the proceeds are used pursuant to this Declaration to repair, replace or restore the property subject to the mortgage lien. However, nothing herein shall be deemed a waiver by the mortgagee of its rights, if any, to require that any surplus proceeds over and above the amounts actually used for repair, replacement or reconstruction of the property subject to the mortgage, be distributed to the mortgagee and the apartment owner as their interests may appear. The owner and holder of any first mortgage on any apartment shall have the right to approve the plans and proposals for any repairs, reconstruction or replacements to the apartment or apartments encumbered by its mortgage or mortgages, and no such repairs, reconstruction or replacements shall be begun or undertaken without such approval, which approval shall not be unreasonably withheld.

H. ASSOCIATION AS AGENT. The Association is hereby irrevocably appointed agent for each apartment owner to adjust all claims arising under insurance policies purchased by the Association, and to execute releases thereof.

I. APPROVAL OF CONSTRUCTION MORTGAGEE. All of the foregoing notwithstanding and in addition to all other approvals required, the construction mortgagee as hereinabove described shall have the right of approval of insurance carriers and amounts of insurance coverage as described in Paragraph A hereof and the right of approval of the entity designed as insurance trustee as mentioned in Paragraph B hereof.

XXII.

MORTGAGES AND MORTGAGEES

A. An owner who mortgages his condominium parcel must notify the Association of the name and address of his mortgagee and the Association shall maintain such information in a register which shall, among other things, contain the names of all the owners of condominium parcels and the names of mortgagees holding mortgages on condominium parcels. The failure to notify the Association of the existence of a mortgage shall in no way impair the validity of the mortgage. If an owner mortgages his condominium parcel he shall not be permitted to modify, alter or change the physical aspect of the apartment without the written permission of the mortgagee. The Association shall, at the request of a mortgagee, report any unpaid assessments due from the owner of the condominium parcel encumbered by the mortgage owned by that mortgagee.

B. If the holder of a first mortgage of record or other purchaser of a condominium apartment obtains title to the condominium parcel as a result of foreclosure of the first mortgage or as a result of a deed given in lieu of foreclosure, such acquirer of title and his successors and assigns shall not be liable for the share of the common expenses or assessments by the Association pertaining to the condominium parcel so acquired or chargeable to the former apartment owner of the acquired parcel which became due prior to the acquisition of the title as a result of the foreclosure or deed in lieu of foreclosure unless the share is secured by a claim of lien for assessments recorded prior to the recording of the mortgage which is foreclosed or for which a deed was given in lieu of foreclosure. That unpaid share of the common expenses or assessments shall be common expenses collectible from all of the apartment owners including such acquirer, his successors and assigns.

C. The term "institutional mortgagee" as used in this Declaration shall mean a bank, savings and loan association, insurance company or union pension fund authorized to do business in the State of Florida or an agency of the United States Government, or the holder of any mortgage insured by any agency of the United States Government, such as Federal National Mortgage Association, Federal Housing Authority or the Veterans' Administration. Where an institutional first mortgage by some circumstance fails to be a first mortgage but it is evident that it is intended to be a first mortgage, it shall nevertheless for the purposes of this Declaration and the Exhibits annexed hereto be deemed an institutional first mortgage and the holder thereof shall be deemed an institutional first mortgagee.

XXIII.

DEVELOPERS' UNITS, RIGHTS AND PRIVILEGES

A. The provisions of ARTICLE XII of this Declaration respecting sale, transfer and lease of condominium parcels shall not be applicable to the Developer who is submitting the Condominium Property to the condominium form of ownership. The Developer has and reserves the right to sell, lease or rent condominium units and parcels to any purchaser or lessee approved by it, subject, however, to the use restrictions herein provided. The Developer shall have the right to transact any business necessary to consummate the sale of units including but not limited to the right to maintain models, advertise on the premises and use the common elements. In the event there are unsold parcels the Developer retains the right to ownership thereof under the same terms and obligations as other owners of condominium parcels except as elsewhere herein provided. The Developer may sell, lease, mortgage and/or rent parcels owned by it to any person or persons whomsoever and the provisions of Paragraph C through F of ARTICLE XII shall not be applicable to Developer or to any such sale, mortgage, conveyance or lease by the Developer notwithstanding anything to the contrary contained in this Declaration, the By-Laws or the Charter of the Association.

B. So long as the Developer holds any units for sale in the ordinary course of business none of the following actions may be taken by the Condominium Association, either through act of its Board of Directors or its membership, without Developer's approval in writing:

1. Assessment of the Developer as an unit owner for capital improvements; and,
 2. Any action by the Association that would be detrimental to the sale of units by the Developer; however, an increase in assessments for common expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of units for the purpose of this Paragraph.
- C. Provisions of Article XI of this Declaration notwithstanding, Developer may retain and use as sales offices, models or for purposes of otherwise promoting or effecting sales of any units or other interests in real property in CALEDON SHORES, or for the conducting of any lawful business or activity attendant thereto, any units, common elements and limited common elements retained or owned by the Developer, or the use of which has been reserved to the Developer in this Condominium or by contract or otherwise lawfully enforceable as a contract obligation of the Developer against the Association or any unit owner other than Developer. The rights reserved to Developer herein shall include but not be limited to the right to designate units and/or other spaces within the Condominium as a contractor's office for the use of the contractors and subcontractors for such periods of time as Developer deems appropriate for purpose of contractors and subcontractors completing construction and all contractual obligations relating to construction of this Condominium and to the Condominium Property. Furthermore, Developer reserves and shall have the right to allow its employees, servants, officers and business guests to use parking spaces within the Condominium Property in conjunction with Developer's sales program.

D. For the purpose of this ARTICLE XXIII and the powers, rights and authorities granted to the Developer, the Developer shall be deemed to mean not only SERVANTES LIMITED, A CORPORATION as defined in ARTICLE I hereof, but also any of its parent and subsidiary corporations designated by it by instrument in writing to be considered the Developer herein for the purposes set forth herein or any of them and/or any corporate agent of said Developer similarly designated by the Developer to be treated as a developer for the purposes herein contained or any of them, which agent is involved in the development, promotion, construction and/or sales of this Condominium and its units. The term "Developer" shall also include for all purposes contained in this Declaration and its Exhibits, any successor or alternate developer appointed by the said SERVANTES LIMITED, A CORPORATION as a successor or alternate Developer by an instrument in writing specifically setting forth that such successor or alternate is to have the rights, duties, obligations and responsibilities, in whole or in part, of the Developer hereunder together with the said SERVANTES LIMITED, A CORPORATION, providing that such instrument in writing shall be executed by such successor or alternate developer indicating its consent to be so treated as the "Developer".

E. This Article shall not be amended without the written consent of the Developer and any successor or alternate Developer designated in accordance with the provisions of Paragraph D above.

XXIV.

RECREATIONAL FACILITIES

A. The Condominium Association, upon recommendation of a majority of its Board of Directors and with the consent of two-thirds (2/3) of the Association's members and subject to the requirements of Paragraph C below, may from time to time acquire and enter into agreements whereby it acquires leaseholds, memberships and other possessory or use interests in lands or facilities, including but not limited to country clubs, golf courses, marinas and other recreational facilities, whether or not contiguous to the lands of the Condominium, intended to provide for the enjoyment, recreation or other use or benefit of the apartment owners. Such agreements shall provide the manner in which they may be amended, otherwise an amendment shall require all the approvals set forth in this Paragraph A and Paragraph C below.

B. So long as the Association shall be subject to the provisions, covenants, conditions, or promises contained in any agreement, lease or other undertakings entered into under the authority of this ARTICLE XXIV, this Article may not be modified, amended or charged in any regard without the consent in writing of the lessor therein or the equivalent party, if he be not properly denominated "lessor", which consent shall be evidenced by said lessor or equivalent party joining in the execution of the certificate of amendment with the formalities required for deeds.

C. The provisions of Paragraph A above notwithstanding, mortgagees holding first mortgages on any apartment or apartments shall, if they acquire such apartments by foreclosure or deed in lieu of foreclosure, take such apartment or apartments exempt from and free and clear of any of the terms and obligations and without the use benefits of such agreements entered into under the authority granted in Paragraph A above to the same extent and effect as if such agreements did not exist, unless such mortgagee or subsequent owner of such apartment taking title through such mortgagee shall at any time consent in writing to such agreement or agreements, in which case the exemption granted in this Paragraph C shall thereafter not apply to such apartment or apartments. The exemption granted in this Paragraph C shall include but not be limited to an exemption from the payment of the prorata share of any rent, license fees, use fees, maintenance charges or other exactions imposed upon the Condominium Association and/or its apartment owners under the terms of such agreements, whether or not such impositions or obligations shall constitute common expenses of the Condominium. If, however, at or before the time the Association enters into such agreement or agreements, a majority (as defined in Paragraph B of ARTICLE XXI hereof) of the first mortgagees of the units in the Condominium shall approve said agreement or agreements, then the exemption provided for in this Paragraph C shall not apply to any mortgagee or to any apartment in the Condominium.

D. The provisions of Paragraph A to the contrary notwithstanding, the consent of the Developer shall be a mandatory requirement to the Association's entry into any agreement or acquisition authorized under Paragraph A above at any time the Developer owns condominium apartments the common elements of which aggregate ten (10%) percent or more. This ARTICLE XXIV shall not be amended without Developer's consent so long as Developer owns more than one condominium apartment in the Condominium.

XXV.

SEPARABILITY OF PROVISION

Invalidation of any of the covenants, conditions, limitations or provisions of this Declaration or in the By-Laws of the Condominium Association or of The Condominium Act shall in no wise affect the remaining part or parts hereof which are unaffected by such invalidation and the same shall remain effective.

XXVI.

TERMINATION

The provisions for termination contained in Paragraph F of ARTICLE XXI of this Declaration are in addition to the provisions for voluntary termination provided for by The Condominium Act as amended. In addition, the Condominium may be voluntarily terminated if the proposed voluntary termination is submitted to a meeting of the members pursuant to notice and is approved in writing within ninety (90) days of said meeting by three-fourths (3/4) of the total vote of the members of the Association and by all holders of first mortgages encumbering units in the Condominium.

XXVII.

EASEMENTS FOR ENCROACHMENTS

All the Condominium Property and all the condominium apartments and the common elements and the limited common elements shall be and are singly and collectively subject to easements for encroachments which now or hereafter exist or come into being, caused by settlement or movement of the building or other improvements upon the Condominium Property, or caused by minor inaccuracies in construction or reconstruction of the building or such improvements upon the Condominium Property, which encroachments shall be permitted to remain undisturbed and such easements shall and do exist and shall continue as valid easements so long as such encroachments exist. A valid easement for the maintenance of such encroachments is herein created so long as such encroachments stand.

XXVIII.

SPECIAL PROVISIONS REGARDING ASSIGNMENT
OF PARKING AND TRANSFER OF PARKING SPACES

A. The provisions of ARTICLE XII, "CONVEYANCES", of this Declaration to the contrary notwithstanding, condominium apartment owners from time to time may convey and transfer their rights in and to the parking spaces constituting limited common elements appurtenant to their apartments among themselves; that is to say, from one condominium apartment owner to another, with the written consent of the Condominium Association, which consent shall not be required when the transfer is to or from the Developer, and with the written consent of the holders of any mortgages encumbering the apartment from which the parking space is being transferred, with the following limitations and in the following manner:

1. Such transfer or conveyance shall be authorized and valid providing that subsequent to the transfer or conveyance the condominium apartment units involved shall have not less than one (1) parking space appurtenant thereto as limited common elements or otherwise reserved thereto. The limitations of this subparagraph 1 do not apply to the Developer.
2. No portion of the common elements attributable to an apartment shall be transferred or conveyed from one apartment to another for reason of the transfer or conveyance of a parking space, and the undivided shares in the common elements as set forth in Exhibit No. 2 to this Declaration shall in no way be varied or changed with respect to any apartment for reason of the transfer or conveyance of a parking space.
3. Such a transfer or conveyance shall be evidenced by a written deed of conveyance executed by both the transferor and transferee. It shall identify the transferor by name and as the apartment owner of a specific condominium apartment and identify that condominium apartment by its number. It shall also demonstrate the name of the transferee by name and as the apartment owner of a specific condominium apartment and identify that condominium apartment by its number. It shall set forth in substance that the parties are transferring and conveying the particular parking space which is a limited common element appurtenant to the apartment owned by the transferor to the transferee for the purpose of having the particular space become a limited common element appurtenant to the condominium apartment owned by the transferee. It shall further set forth the consent of the transferor to the transaction and the transferee's agreement and undertaking that thereafter said parking space shall constitute a limited common element appurtenant to the transferee's condominium apartment subject in full to the provisions of the Declaration of Condominium.
4. The deed of conveyances shall be executed with the formalities for deeds in the State of Florida. If the assignment of parking spaces has been recorded among the Public Records, then the deed of conveyance shall be promptly recorded and shall be effective upon recording. If the assignment of parking spaces has not been recorded among the Public Records, then signed copies of the deed of conveyance shall be delivered both to the grantee (transferee) and to the Association and shall be effective upon completion of such delivery.

5. The consent of the Condominium Association may be evidenced on the deed of conveyance mentioned in Paragraph 3 above, or by separate instrument, but under no circumstances shall the transfer of the parking space be deemed effective until the Condominium Association's consent shall have been recorded among the Public Records of Indian River County, Florida. Such consent may be in any form the Condominium Association may choose and shall be executed with such formalities as are required of affidavits and for the recording of affidavits among the Public Records of the State of Florida.

6. Once the aforementioned deed of conveyance shall have been duly executed and recorded in accordance with the provisions of this ARTICLE XXVIII and the consent of the Condominium Association shall have likewise been given and so recorded, the Declaration of Condominium and, in particular Exhibit No. 1 hereto, shall be deemed amended to the extent necessary to conform to that transfer and conveyance as authorized under this ARTICLE XXVIII, the provisions of ARTICLE X, "AMENDMENT TO DECLARATION", to the contrary notwithstanding. If the designations of parking spaces have not been recorded, then conveyances of parking spaces shall not be recorded and no amendment contemplated herein shall be required or deemed to have occurred.

7. Nothing herein shall be deemed to authorize the transfer of any limited common element or other appurtenance to a condominium apartment or any part or share thereof to any person or persons whomsoever except the limited common elements which constitute parking spaces may, as herein provided, be conveyed between apartment owners provided that at no time may such parking spaces or any of them be owned in whole or in part by any person or persons who are not condominium apartment owners, except the Developer. The Developer may exchange parking spaces assigned to it in respect of condominium apartments owned by it or parking spaces not yet assigned by it for parking spaces previously assigned to other apartment owners without the Condominium Association's approval. Any transfer or conveyance of a parking space by any person except the Developer, with or without the consent of the Condominium Association to any other person or persons who is or are not condominium apartment owners, except transfers or conveyances to the Developer, shall be totally void.

B. The provisions of ARTICLE V, Paragraph B, to the contrary notwithstanding, the Condominium Association shall not have the right to assign any of the parking spaces in this Condominium during the time the Developer or any successor developer shall own any apartments in this Condominium whether or not such apartments are held or offered for sale until the expiration of two (2) years after the date of the sale and conveyance of the last apartment in this Condominium to other than the Developer or successor or alternate developers. The Developer may, by instrument in writing, relinquish its control over the assignment of parking sooner than the expiration of the period of time hereinabove set forth. Such instrument shall be effective to transfer to the Condominium Association the power and authority to assign then unassigned parking spaces as appurtenances to the various condominium apartments.

XXIX.

SPECIAL INSURANCE AND MAINTENANCE PROVISIONS

A. PLATE GLASS INSURANCE. The Condominium Association may in the exercise of its discretion and from time to time determine that plate glass within the perimeter walls of the condominium-apartments may be more economically insured by the Condominium Association under such coverages as the Association shall obtain as elsewhere provided in this Declaration and, in such case, the Condominium Association shall be deemed to have an insurable interest in such plate glass. Upon such determination by the Condominium Association and until otherwise determined by the Association, it shall be the Association's obligation and expense to repair or replace such plate glass as is damaged through casualty loss which is so insured or which may be so insured. Otherwise, and in the absence of the Association making the determination as set forth herein, the replacement of the plate glass in the perimeter walls of a condominium apartment for reason of damage or destruction through casualty loss shall be the apartment owner's responsibility, except that in any and all events loss or damage occasioned by fire shall be the responsibility of the Association. It shall be deemed a sufficient determination by the Association, and no special act of the Association shall be required, if the Association shall undertake insuring such plate glass for casualty losses to such plate glass, whether or not such plate glass coverage is specifically set forth therein, and whether or not there shall be any deductible clause. Nothing herein shall be deemed to alter the condominium apartment owners' obligations for maintenance of the plate glass in perimeter walls where that obligation otherwise exists. For the purposes of this Paragraph A, the term "plate glass" as used herein is descriptive of all glass in exterior perimeter boundaries of condominium apartments in picture windows and sliding glass doors, as opposed to window panes, and is not descriptive of the process whereby glass is manufactured or prepared (e.g. "float" process).

B. MAINTENANCE CONTRACTS. If there shall become available to the Condominium Association a program of contract maintenance for all appliances and/or all air-conditioning compressors and/or air handlers serving individual condominium apartments which the Association determines is to the benefit of the condominium apartment owners to consider, then upon resolution of the apartment owners by a majority of those voting at a meeting of the apartment owners at which a quorum is present, or by a majority of their whole number in writing, the Condominium Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Association shall be a common expense. If, on the other hand, the Condominium Association determines that the program may be undertaken by the Association for the benefit of condominium apartment owners who elect to be included in the program, then the Association may undertake the program without the consent of the membership being required as aforesaid, and the costs of such contractual undertakings shall be borne exclusively by the apartment owners electing to be included in the program, and shall not be a common expense of the Association, but the Association may arrange for the collection of the contract costs from the individual apartment owners electing to be included therein, may execute the contractual undertaking involved upon such terms and conditions as the Association deems proper and require from the apartment owners electing in such written undertakings as the Association shall deem proper to evidence the said apartment owners' obligations to the Association for their proportionate share of the costs of such program.

XXX.

MISCELLANEOUS PROVISIONS

A. COMMENCEMENT OF DEVELOPER'S OBLIGATIONS. Developer's obligation to pay maintenance for monthly common expenses may be deferred and excused as follows:

1. The Developer as the owner of any condominium apartment shall not be required to pay any of the common expenses of the Condominium as would be the obligation of the condominium apartments owned by the Developer except for this Paragraph, which assessments become due and payable in whole or in part at any time prior to the first day of the month next succeeding the month of the recording of this Declaration, but not before the first day of the month next succeeding the date upon which the first closing of a sale of an apartment in this Condominium shall have taken place. However, the Developer shall be obligated to pay that portion of those common expenses attributable to such apartments owned by it which are collected for the express purpose of paying or of providing an escrow for the payment of any and all real estate taxes levied or assessed against the Condominium Property if such taxes are common expenses under the provisions of this Declaration or of the By-Laws of the Condominium Association.
2. The Developer or other person owning condominium apartments or having an obligation to pay common expenses may be excused from the payment of his share of the common expense which would have been assessed against his apartment during the period of time that he shall have guaranteed to each apartment owner or in the case of a Developer, by agreement between the Developer and at least a majority of the apartment owners other than the Developer, that the assessment for common expenses of the Condominium imposed upon the apartment owners will not increase over a stated dollar amount, providing that the Developer or such other persons shall obligate themselves to pay any amount of common expenses incurred during that period (of the guarantee of maintenance) and not produced by the assessments at the guaranteed level received and receivable from other apartment owners. The agreement of the Developer may be contained in the Purchase Agreement for condominium apartments in the Condominium heretofore and hereafter executed with Developer. Persons other than the Developer or specific designees of the Developer may be excused from payment as aforesaid but only if both the Developer and the Condominium Association shall approve.

B. RIGHT OF ENTRY. The Condominium Association, its officers, directors, agents and employees, shall at all times have the right to enter the condominium apartments at reasonable times for the purposes of inspecting the common elements, gaining access to the common elements, or making repairs or otherwise maintaining the Condominium Property, or to abate emergency situations which threaten damage to the Condominium Property or any of it.

C. CONTRACTUAL LIENS AUTHORIZED. Each condominium apartment owner in this Condominium is authorized to grant liens upon his respective condominium apartment to secure the payment of his share (or the share attributable to his condominium apartment in the appropriate cases) of any fees, dues, charges or other exactions which the condominium apartment owner shall agree or shall have agreed to, or otherwise be obligated to pay in respect of any recreational facilities or recreation use rights or other use rights, at least in part of a recreational nature, in whatever form such rights shall be obtained, to-wit, memberships, liens, contracts or other undertakings obtained by the Condominium Association for the use of the condominium apartment owners by any means whatsoever. So long as such a lien encumbers an apartment, the owner of that apartment may not vote for voluntary termination of the condominium form of ownership without the consent of the holder of that lien. In the event of the termination of the condominium form of ownership as provided for by Law or by the terms of this Declaration, the said lien so created shall attach to the undivided interests in the Copdominium Property resulting from termination, held by the condominium apartment owner creating such lien or owning an apartment encumbered by such lien. This Paragraph C shall be liberally construed to grant condominium apartment owners maximum authorities to grant the liens herein mentioned for the purposes herein provided and shall not be construed in any way to restrict the powers or authorities of the condominium apartment owner nor to require any particular form for the creation of such liens, but condominium apartment owners shall, in addition to the powers and authorities created herein, have the power and authority to create liens on their apartments which they would otherwise have had, had this Paragraph not been included in the Declaration of Condominium. Any lien created under the authority of this Paragraph shall take priority from the recording among the Public Records of Indian River County, Florida, of the document creating that lien. This Paragraph shall not be construed to cause or allow liens created under the authority of this Paragraph to become effective earlier than the aforementioned recording of the document creating such lien and neither this Paragraph nor this Declaration of Condominium shall be construed to be the document creating such lien.

D. EASEMENTS. The Developer and its successors as Developer retain the right and shall at all times have the right to declare and create, modify and amend, from time to time, without joinder or consent of any apartment owner or of the Condominium Association, easements upon the Condominium Property for public utility purposes and for peaceful ingress and egress to prevent abutting properties from being landlocked or otherwise denied reasonable access to and from the public-ways, providing, however, that at the time of the creation of such easements and at the time of the modification or amendment of any such easements, such easements and such modifications and amendments shall not be inconsistent with the peaceful and lawful use and enjoyment of the Condominium Property by the owners thereof. The Developer may, by an instrument in writing, relinquish the power and authority herein reserved to create, modify and amend easements by filing among the Public Records of Indian River County, Florida, a written instrument to that effect, from and after the recording of which the Developer and its successors and assigns as Developer shall no longer have the powers and authorities reserved to or granted to it in this Paragraph D.

E. SPECIAL PROVISIO RE PARKING. The Condominium Association may adopt reasonable rules and regulations which shall provide a manner in which parking spaces may, in the absence of the use thereof by the apartment owner or owners to which such parking is assigned as an appurtenance (limited common element) to their apartment, be used by guests, providing that any such rules and regulations shall not interfere with the reasonable use of such parking spaces by the owners of the condominium apartments to which they are appurtenant as limited common elements. The adoption of the rules and regulations mentioned in this Paragraph must be approved by a vote of two-thirds (2/3) of the total number of condominium apartment owners and, in addition, so long as the Developer or successor Developer shall own five (5) or more condominium apartments, no such rules and regulations shall be adopted without the consent of Developer.

F. ASSOCIATION MAY WAIVE LEASEHOLD RESTRICTIONS. The provisions of Article XII of this Declaration respecting the restrictions on leasing the the right of the Association may be waived as a matter of Association policy uniformly applicable to all apartment owners, upon recommendation of the Association approved by resolution of the membership (unit owners). Notwithstanding such waiver, the Board of Directors shall have the power to reimpose any of the waived restrictions or limitations set forth in Article XII without approval of the membership being required. By a three-fourths (3/4) vote of the Board of Directors, the Board may impose additional restrictions and rules and regulations upon the leasing of apartments in addition to those contained in Article XII, but no such rules and regulations shall be deemed applicable to any lease existing at the time of the promulgation of such rules and regulations, to the extent that such rules and regulations are inconsistent with the contractual obligations in the lease.

C. MASTER TELEVISION ANTENNA AND CABLE TELEVISION. The Association, by action of its Board of Directors is authorized to enter into agreements to provide or allow master television service, whether or not in association with cable television service, to be given to the owners or occupants of improvements to real property in the vicinity of the Condominium, upon such terms and conditions as the Board of Directors shall approve, including but not limited to the authority of the Association to enter into a master television service contract in which the cost shall be treated as a common expense. This authority is granted in realization of the fact that a master television antenna may be able to serve the condominium apartment owners as well as persons residing on other improved property in the vicinity of the Condominium on a more economical basis. This authority shall be liberally construed to allow the placement of cables, equipment and all necessary adjunctive mechanical, electro-mechanical, electrical and/or electronic devices upon the Condominium Property as the Board of Directors shall approve to effectuate the intentions of this Paragraph. Apartment owners shall have the right to have cable television services extended and provided within their apartments without action of the Board of Directors and such services may be brought to the apartment owners requiring or desiring such service over the common elements of the Condominium and as other utility services may be extended to the condominium apartments, providing that such installation shall not be unsightly and that such installation shall not interfere with the reasonable, lawful and peaceful use of the common elements and the limited common elements by the persons entitled to use them. Nothing in this Paragraph shall be construed to impose upon the Developer or any other person, either real or corporate, the obligation to provide or install either a master television antenna or cable television facilities in this Condominium, nor to prohibit such installation.

H. PORCHES, TERRACES AND BALCONIES MAY NOT BE ENCLOSED. Porches, terraces and balconies shall not be enclosed to any extent further than as originally constructed by Developer and Developer's contractors. This provision may be amended upon recommendation of the Board of Directors by a vote of three-fifths (3/5) of the whole number of votes of the Condominium Association.

I. MODIFICATION OF BOUNDARIES BETWEEN ABUTTING UNITS. With written consent of the Condominium Association and with the written consent of their mortgagees, if any, the owners of abutting condominium units may agree, by instrument in writing, to move the boundary between their abutting units in such a manner as to include additional rooms or spaces in one unit and to exclude them from the other. Such writing shall have as an exhibit thereto an architectural or engineering drawing certified to in the manner required by The Condominium Act of the State of Florida demonstrating the new boundary lines between the two units and otherwise certified to in the manner required by law. The document establishing the new boundary lines shall also redistribute between the two units involved the common elements, limited common elements and common expense in a reasonably equitable manner such that totals of each of those items as reassigned to the two units shall equal the same totals previously assigned to the two units. The instrument creating the new boundary lines shall be executed with the formality required for deeds by all the unit owners of the units involved, all the mortgagees thereon, and by the Condominium Association, except that the said mortgagees and/or the Condominium Association may demonstrate their consent by a separate instrument in writing similarly executed. The said instrument and consents shall be filed among the Public Records of Indian River County, Florida and shall constitute an amendment to the Declaration of Condominium which shall be effective from and after its recording and shall not require the consent to or any vote of the membership. Nothing herein, however, shall be deemed to grant authority for any amendments to this Declaration of Condominium except in the manner elsewhere provided for such amendments except in the specific and limited case herein described, to-wit, the modification of the boundary lines between abutting condominium units for the purpose of including additional rooms and spaces in one unit and to exclude them from the other, which may include modification of the boundary lines of the balconies, terraces or porches appurtenant to said units. The Condominium Association's approval may be conditioned upon the said unit owners adequately providing for entrances, modifications in the perimeter walls of the two units where the changes are to be made, and assurances by the unit owners to the Association that all costs and expenses thereof will be borne in full and paid for by the said unit owners. Nothing herein shall require the Association to give its approval to the amendment contemplated herein if the modifications in the units required to effectuate the change of boundary lines would in any way endanger the structure, violate applicable zoning laws, rules and regulations, or result in a unit whose interior area is less than that of the smallest other condominium units in the Condominium. Otherwise, the Condominium Association shall not unreasonably withhold its approval. So long as the Developer shall own any abutting units the Developer may, in lieu of the Condominium Association, grant the approvals herein required with respect to those units. Such approvals shall be binding on the Condominium Association providing only that before the amendment is recorded and the reconstruction or the modification of the units undertaken, the Condominium Association shall be given reasonable assurance

that the costs and expenses of the reconstruction or modification will be fully paid for by the unit owners and that the modifications do not violate applicable zoning laws, rules and regulations nor endanger the structural integrity of the building in which the modifications are being made. It shall not be necessary for any document to be placed of record to evidence such assurances, conformity with zoning laws, rules and regulations or proof that the structural integrity of the building is not endangered for the amendment to be effective. The recording of the amendment without such statements or assurances shall be presumptively sufficient providing only that in the event approval is given by the Developer rather than the Condominium Association that said approval contain a statement by the Developer that the Condominium Association had been given at least twenty (20) days written notice of its intention or the intention of the unit owners to record the said amendment by the delivery or mailing to at least two Directors of the Condominium Association, other than the Developer or the Developer's officers or employees (if there be any, of a copy of the amendment in proposed form.

J. RESTRICTION ON AMENDMENT. Provisions of Article X of this Declaration to the contrary notwithstanding, no provision of this Declaration or of the By-Laws of the Condominium Association granting or reserving to the Developer any rights, powers, authorities, usages or dispensations may be modified or amended in any way which will impair or restrict those rights, powers, authorities, or special dispensations without the written approval of the Developer so long as the Developer or any successor or alternate Developer shall own any units in this Condominium, and for a period of two (2) years after the sale and conveyance of the last condominium apartment (unit) owned by the Developer and any successor or alternate Developer to any person other than a successor or alternate developer.

K. PETS. The Condominium Association, by resolution of its Board of Directors approved by a majority of the whole number of members at a meeting called at least in part for the purpose, may impose prohibitions on the keeping of pets in the condominium apartment units. Such prohibition, if enacted, shall not apply in the following cases: (a) with respect to any pets then owned by apartment unit owners or their lawful tenants which pets have been customarily kept in the condominium apartment unit when the owner or tenant is in residence in that unit; and, (b) with respect to any pets owned by a purchaser at the time of the purchase of an apartment unit from the Developer. Whether or not prohibitions upon the keeping of pets in the condominium apartment units shall be adopted, the Association, by act of its Board of Directors, may impose reasonable restrictions on when, where and how such pets may be permitted upon the common areas of the Condominium Property. The limitation on the prohibition of pets contained in this Paragraph K shall not restrict nor prevent the Condominium Association from prohibiting or requiring the removal of pets in individual cases where such pets are or become legal nuisances and unreasonably disturb the quiet enjoyment of the Condominium Property by the unit owners. Furthermore, the Condominium Association may require the unit owners who do not abide by the reasonable rules and regulations as to when, where and how such pets may be permitted upon the common areas, or who allow a pet to be or become a legal nuisance, to dispose of or remove their pet or pets from the apartment and the Condominium Property. Amendments or modifications to this Paragraph K shall require approval of a vote of the membership equal to three-quarters (3/4) or more of the total number of votes attributable to apartment units owned by any legal person other than the Condominium Association and shall require the consent of the Developer in writing so long as the Developer owns one or more apartment units in the Condominium.

L. APPROVAL BY CONDOMINIUM ASSOCIATION. Whenever an approval of the Condominium Association is called for in this Declaration or in the By-Laws of the Condominium Association, such approval shall not be unreasonably withheld and such approval may be granted by the Board of Directors of the Condominium Association except in cases where the particular provision involved requires approval by the unit (apartment) owners or the Condominium Association's members.

M. SHARES OF OWNERSHIP ON TERMINATION

1. Upon removal of the Condominium Property from the provisions of The Condominium Act or other termination of the condominium form of ownership, no matter how effected, the unit owners shall own the Condominium Property in common in the undivided shares set forth as percentages in Exhibit #5 hereto, which shares are hereafter referred to as "Termination Shares", and not in the same proportions as the ownership of common elements and common expenses. Furthermore, so long as this Paragraph is operative, then the words "Termination Shares" shall be substituted in Article XVI and in Paragraph E of Article XXI for the words "share(s) of common elements" and for the words "common elements" in every context where the term "common elements" refers to or connotes a share or shares (as opposed to that portion of the Condominium Property not contained with the units) of an assessment or of proceeds to be distributed to owners and/or their mortgagees, but only upon the happening of substantial damage to or destruction of all or a substantial portion of the Condominium Property. In addition, the reference to "Exhibit #2" in said Article XVI and in Paragraph 1 of Article XXI shall in both cases be deemed referenced to Exhibit #5.

2. Paragraph M-1 above and/or Exhibit #5 may be amended in accordance with the applicable provisions of Article X hereof. The amendatory procedures set forth in Paragraph C of Article X may be employed in any appropriate case therein mentioned and in any case in which through scrivener's error it shall appear that the total of the Termination Shares shall not equal exactly 100%. No amendment, however, whether under Paragraph A, B or C of Article X, may change the Termination Share attributable to a unit without the written consent of the unit owner of that unit and of all mortgagees holding mortgages encumbering that unit. This Paragraph M-2 may not be amended without unanimous consent of all unit owners.

N. LIMITATIONS ON DEVELOPER, REQUIREMENT FOR CONSENT OF CONSTRUCTION MORTGAGEE. Notwithstanding any contrary provision of this Declaration, the Articles of Incorporation or the By-Laws of the Condominium Association, so long as a mortgage outstanding at the time of the recording of this Declaration in favor of The Toronto-Dominion Bank, or an affiliate of such entity, securing a construction loan to the Developer incidental to the construction of the Apartment Building is not totally satisfied of record and encumbers any part of the Condominium Property, no amendment to this Declaration, the Articles of Incorporation or the By-Laws of the Condominium Association, requiring Developer's approval or exercisable by Developer alone, may be exercised or implemented without the consent of The Toronto-Dominion Bank if it be the construction mortgagee, and if not, such other construction mortgagee whose mortgage then encumbers any part of the Condominium Property. Furthermore, no option or privilege provided for Developer in Paragraph C of Article V, Article XXIII, Paragraph D of Article XVIII, or Paragraph D or I of Article XXX, shall be exercised by Developer without such construction mortgagee's consent, except that nothing herein shall be deemed to preclude Developer from designating and assigning parking spaces to units, but the Developer shall not relinquish the right to designate and assign parking spaces without such mortgagee's consent. For the purpose of the Paragraph, The Toronto-Dominion Bank and any affiliate of such entity qualifies as a construction mortgagee and any other institutional mortgagee as defined in this Declaration in Paragraph C of Article XXII who has advanced funds at least in part for the purpose of financing the construction of this Condominium or any part of it, and whose mortgage securing such loan or advance encumbers the Condominium Property or any part of it shall be deemed a construction lender or construction mortgagee. The provisions of this Paragraph do not apply to any mortgagee except a construction lender or construction mortgagee as herein defined. Nothing in this Paragraph shall be deemed to impair or reduce the requirements of Paragraph B of Article X which restrict amendments which attempt to affect or impair the validity or priority of any mortgage upon a condominium parcel.

O. CONSTRUCTION LENDERS RIGHTS TO SUCCEED TO DEVELOPER'S RIGHTS AND PRIVILEGES. All rights, benefits and privileges in favor of the Developer as set forth in this Declaration, the By-Laws and the Articles of Incorporation of the Condominium Association, shall inure to the benefit of the holder of the construction mortgage encumbering the Condominium Property or a receiver or third party purchaser at a foreclosure sale or deed given in lieu of foreclosure, in the event it succeeds to the Developer's interest. For the purpose of this Paragraph the holder of the construction mortgage is defined as any construction mortgagee or construction lender as defined in Paragraph N above, and any assignee thereof.

P. GRANT OF USE RIGHTS IN STORM DRAINAGE SYSTEM. Storm water drainage for the Condominium Property is accomplished (in part) by the use of a pipe system having drainage outlets on the Condominium Property running North through the public way and then traversing an easement way to permit the storm and surface waters to be emptied into Bethel Creek. This pipe installation was made by the Developer at Developer's costs. There is reserved to Developer, without consent of the Condominium Association or its members being required, the right to permit other land owners in the immediate area proximate to the Condominium Property to use or otherwise tie-in to this storm drainage pipe system upon such terms and conditions as Developer shall find reasonable, providing only that:

1. such tie-ins shall not be within the lands described in Article III hereof;
2. the reasonable expected use of the pipes by such other land owners shall be within the capacity of such drainage system; and,
3. the tie-ins and use of the pipes by other land owners shall be without any cost or expense to the Condominium Association for maintenance, repair or replacement occasioned by such usages.

This Paragraph P may not be amended without Developer's consent in writing.

IN WITNESS WHEREOF, SERVANTES LIMITED, A CORPORATION has caused these presents to be executed by its duly authorized officers this 24 day of April, 1981.

IN THE PRESENCE OF: [Signature] SERVANTES LIMITED, A CORPORATION
[Signature] BY: [Signature] Vice President
[Signature] ATTEST: [Signature] Assistant Secretary

STATE OF FLORIDA)
)SS:
COUNTY OF DADE)

BEFORE ME, a Notary Public in and for the County and State aforesaid, duly authorized to take acknowledgements, personally appeared ELEANOR LIPTON AND

ROBERT I. SHAPIRO, VICE PRESIDENT AND ASSISTANT SECRETARY, respectively of SERVANTES LIMITED, A CORPORATION, to me well known, and they acknowledged before me that they executed, sealed and delivered the foregoing Declaration of Condominium for the uses and purposes therein expressed, as such officers, by authority and on behalf of said Corporation, as the free act and deed of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Miami, said County and State, this 24 day of April, 1981.

[Signature]
Notary Public

My commission expires:

